

INSIGHTS

108th Congress

June 14, 2004

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Weekly Summary

Committee Activity

House Senate

Status of FY 2005 Appropriations Bills

New Legislation

Administration Initiatives

Hearings Schedule

INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of *INSIGHTS* is to provide FEMP management staff with timely information on legislative activities relevant to the program. *INSIGHTS* is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

CONGRESSIONAL SCHEDULE

Due to last week's funeral for former President Reagan, many Congressional events were postponed until this week. Activities of interest this week include the following.

House

- ➤ House vote on H.R. 108 ___ FY 2005 Appropriations for Homeland Security and H.R. 108 FY 2005 Appropriations for Interior and Related Agencies
- Committee on Appropriations mark up of H.R. 108 ____ FY 2005 Appropriations for Energy and Water Development and H.R. 108 ____ FY 2005 Appropriations for Commerce, Justice, State, and the Judiciary.
- > Subcommittee on Defense hearings on the FY 2005 Budget Requests for the Departments of the Navy and Army.
- Subcommittee on Agriculture, Rural Development, and the Food and Drug Administration will mark up H.R. 108 - ___ FY 2005 Appropriations for Agriculture, Rural Development, and the Food and Drug Administration.
- > House Republican "energy week" to promote passage of comprehensive energy legislation.

Senate

- Committee on Appropriations mark up of two bills, H.R. 108 ____ Energy and Water Development and H.R. 108 - ____ Interior and Related Agencies
- > Rescheduled Committee on Energy and Natural Resources hearing to examine crude oil supply, gasoline demands, and effects on prices.

FY 2005 BUDGET RESOLUTION/FY 2005 APPROPRIATIONS BILLS

House

Bills marked up last week at the subcommittee level included Defense and Energy and Water appropriations. Bills marked up by the full Committee on Appropriations included Homeland Security and the Interior and Related Agencies bills. The bills are not yet in print and limited details are available as provided below.

Subcommittee Committee Mark Ups

- > H.R. 108 ___ FY 2005 Defense \$416.1 billion in total funding
- H.R. 108 ___ FY 2005 Energy and Water Development \$28 billion in total funding (covers the Department of Energy's Renewable Energy and Departmental Energy Management programs)

Department of Energy

- Departmental Energy Management Program (funding to be specified in bill)
- Renewable Energy Programs such as solar, wind, etc. (funding to be specified in bill)
- Hydrogen Research Program \$197 million
- Office of Electricity Transmission \$75.5 million
- National Laboratories Directs laboratories to develop five-year business plans in an
 effort to eliminate duplication of effort among laboratories; each laboratory is to describe
 its mission and the required resources.

Full Committee Mark Ups

- > H.R. 108 ___ FY 2005 Homeland Security \$32 billion in total funding
- H.R. 108 ____ FY 2005 Interior and Related Agencies \$19.73 billion in total funding (covers the Department of Energy's energy efficiency programs, including the Federal Energy Management Program and Department of Interior programs)

Department of Energy

- <u>Energy Conservation Programs</u> \$656 million (the subcommittee approved the transfer of the DOE Weatherization Program to the jurisdiction of the Subcommittee on Labor, Health and Human Services, and Education, thereby reducing the Energy Conservation budget by about \$227 million)
- Hydrogen \$

Department of the Interior

National Park Service - \$471 million for backlog maintenance

Senate

Last week, Ted Stevens (R/AK), Chair of the Committee on Appropriations announced his new deadline for completion of the Senate's version of the *FY 2005 Budget Resolution*. He indicated that if a resolution is not approved by June 15, he will begin the appropriation process, which would most likely begin with three critical Defense-related bills: (1) Military Construction, (2) Defense, and (3) Homeland Security. Passage of the resolution has been delayed in the Senate because of the controversy over the "pay go" issue," which requires funding or revenue offsets for new initiatives, such as tax cuts.

Unless the Senate can pass a budget resolution, members will be required to work within a FY 2004 funding cap of \$814 billion vs. the House level of \$821 billion; the House passed its version of the resolution last month.

COMPREHENSIVE ENERGY LEGISLATION

In separate activities, Senate Republicans planned to join in the House-sponsored "energy week" to encourage passage of comprehensive energy legislation during this Congressional session. To highlight their concern, Senate Republicans are planning a public event that will include Secretary of Energy Spencer Abraham. Initially, the House Republican Leadership planned a week-long program, which was to occur last week. However, due to events surrounding former President Regan's funeral and the rescheduling of hearings and mark ups last week to this week, energy week will most likely be compressed into a day or two of speeches and votes on energy bills. The House plans to conduct floor debates on five newly introduced stand-alone energy bills and a renumbered H.R. 6 – Energy Policy Act of 2003 (now H.R. 4503 - Energy Policy Act of 2004). Meanwhile, the House Committee on Ways and Means has rejected the adoption of the Senate strategy of attaching energy tax incentive legislation to the pending Foreign Corporate Tax bill as a means of passing the financial part of pending comprehensive energy legislation. However, the House tax will is expected to extend tax credits for wind energy and research and development. H.R. 4503, which is the same comprehensive energy bill introduced and passed by the House last year, will include both authorization and financial provisions in one bill.

Difficult conference committee negotiations between the House and Senate are anticipated if energy legislation reaches another conference committee. The House is expected to vote on the newly numbered energy bill, *H.R.* 4505, on Tuesday, June 15.

Back to Table of Contents

II. COMMITTEE ACTIVITY

HOUSE

No activities of interest to report.

SENATE

Legislation

No activities of interest to report.

III. STATUS OF FY 2005 APPROPRIATIONS BILLS

(IN MILLIONS)

HOUSE

SENATE

Jurisdiction/ FY 2004 Budget Request	302(b) Discretionary Allocations/ Approved Funding Level (Billions)	Bill No.	Full Cmte. Mark Up	Floor Vote	Vote on Conf Rpt.	302(b) Discretionary Allocations/ Approved Funding Level (Billions)	Bill No	Full Cmte. Mark Up	Floor Vote	Vote on Conf. Rpt.
Agriculture	\$16.78	H.R. 4422								
Commerce	\$39.78		6/15							
Defense	\$392.14		6/16							
Energy and Water Development	\$27.99		6/15					Week of 6/14		
Homeland Security	\$32		6/9	6/16						
Interior	\$19.73		6/9	6/17				Week of 6/14		
Labor / HHS	\$142.05									
Military Construction	\$9.553	H.R. 4424								
Transportation and Treasury	\$25.714									
VA/HUD	\$92.129	H.R. 4423 (VA) H.R. 4421 (EPA)								

IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

HOUSE

No new bills of interest to report.

SENATE

No new bills of interest to report.

Back to Table of Contents

V. ADMINISTRATION INITIATIVES

Comments on Gasoline Prices Last week, the Energy Information Administration (EIA) released its new *Short Term Energy Outlook* report and predicted that given no further market disruptions, the agency expects gasoline prices will continue to fall throughout the rest of the year. In response to the EIA report, DOE Secretary Spencer Abraham said last week:

The recent actions taken by producers to increase production, along with higher inventory data, are positive factors that should be viewed favorably by the oil markets. However, we cannot afford to be complacent. This nation will continue to face significant energy security challenges until Congress passes comprehensive energy legislation that increases our access to domestic energy resources such as ANWR, supports the President's increased investment in future technologies such as hydrogen, and promotes conservation and energy efficiency.

FY 2006 Budget Last week, David Garman, DOE's Acting Under Secretary and Assistant Secretary for Energy Efficiency and Renewable Energy made a speech before the energy community. In his remarks, he discussed the challenge in making difficult decisions regarding FY 2006 funding for the Department's energy efficiency programs. In his prepared remarks, Mr. Garman said in part:

We can design and execute a politically optimal energy efficiency budget that spends a little bit on everything to keep the majority of stakeholders relative happy, or we can identify and pursue a bolder set of activities focused to achieve critical mass for truly big impacts.

VI. HEARINGS SCHEDULE

HOUSE - COMMITTEE ON APPROPRIATIONS

Date/ Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 14 Subcommittee on Agriculture, Rural Development, and Food and Drug Administration (NEW/TENTATIVE)	Henry Bonilla (R/TX)	Mark Up FY 2005 Appropriations for Agriculture, Rural Development, and Food and Drug Administration	N/A.	5:30 p.m. Room – TBA Rayburn Office Building
June 15 Subcommittee on Commerce, Justice, State, and the Judiciary (NEW)	,	Mark Up H.R. 108 FY 2005 Appropriations for Commerce, Justice, State, and the Judiciary	N/A	TBA
June 15 Subcommittee on Energy and Water Development (NEW)	David Hobson (ROH)	Mark Up H.R. 108 FY 2005 Energy and Water Development Appropriations bill	N/A	10:00 a.m. Room 2359 Rayburn Office Building
June 15 Subcommittee on Defense (NEW)	Jerry Lewis (R/CA)	Hearing FY 2005 Budget Request for the Department of the Navy	TBA	3:00 p.m. Room 300 Rayburn Office Building
June 16 Subcommittee on Defense (NEW)	Jerry Lewis (R/CA)	Hearing FY 2005 Budget Request for the Department of the Army	TBA	3:00 p.m. Room 300 Rayburn Office Building
June 16 Committee on Appropriations Defense	Jerry Lewis (R/CA)	Mark Up H.R. 108 FY 2005 Appropriations for Defense	TBA	TBA
June 17 Full House (NEW/	N/A	Floor Consideration and Vote	N/A	TBA House Chamber U.S. Capitol

Date/ Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
TENTATIVE)		H.R. 108 FY 2005 Appropriations for Homeland Security		
June 17	N/A	Floor Consideration and Vote	N/A	TBA House Chamber
Full House (NEW)	/			U.S. Capitol
TENTATIVE)		H.R. 108 FY 2005 Appropriations for Interior and Related Agencies		

HOUSE - AUTHORIZATIONS/OVERSIGHT

Date/ Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 14		House Consideration and Vote	TBA	TBA House Chamber
Full House				U.S. Capitol
		Floor votes are anticipated		'
(NEW)		for <i>H.R.</i> 4505 – Energy		
		Policy Act of 2004 and		
		various stand alone energy		
		bills, including H.R. 4513 –		
		(No Short Title) to		
		streamline the process for		
		the licensing of renewable		
		energy projects on Federal		
		lands		

SENATE - COMMITTEE ON APPROPRIATIONS

Date/ Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
Week of June 14		Mark Up	TBA	TBA
Committee on Appropriations (NEW)		S. 108 FY 2005 Appropriations for Interior and Related Agencies		
Week of June 14		Mark Up	TBA	TBA
Committee on Appropriations (NEW)		S. 108 FY 2005 Appropriations for Energy and Water Development		

SENATE - AUTHORIZATIONS/OVERSIGHT

Date/ Committee	Chair	Hearing Title/Issues	Witnesses	Time/ Location
June 15	Pete Domenici	Hearing	Guy Garuso, Administrator of the	10:00 a.m. Room 366
Committee on Energy and Natural Resources (Rescheduled)	(R/NM)	Examination of crude oil supply, gasoline demands, and effects on prices	Energy Information Administration and industry officials	Dirksen Office Building

CONFERENCE COMMITTEE NEGOTIATIONS AND FLOOR VOTES

No activities of interest have been scheduled.